

Margaret M. Fox

pfox@mcnair.net
T (803) 799-9800
F (803) 753-3278

August 31, 2012

Ms. Jocelyn Boyd
Chief Clerk and Administrator
South Carolina Public Service Commission
Synergy Business Park, The Saluda Building
101 Executive Center Drive
Columbia, South Carolina 29210

Re: Application of Palmetto Telephone Communications, LLC
for Designation as an Eligible Telecommunications Carrier
Docket No. 2012-236-C

Dear Ms. Boyd:

Enclosed for filing on behalf of Palmetto Telephone Communications, LLC is a Motion For Expedited Review and the verified Testimony of Jason J. Dandridge in the above-referenced matter.

Thank you for your assistance. If you should have any questions, please do not hesitate to contact me.

Very truly yours,

McNAIR LAW FIRM, P.A.



Margaret M. Fox

MMF:rwm
Enclosures

cc: Party of Record

McNair Law Firm, P. A.
1221 Main Street
Suite 1600
Columbia, SC 29201

Mailing Address
Post Office Box 11390
Columbia, SC 29211

mcnair.net

BEFORE THE
PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

Application of Palmetto Telephone)	
Communications, LLC for Designation)	
as an Eligible Telecommunications Carrier)	Docket No. 2012-236-C
_____)	

MOTION FOR EXPEDITED REVIEW

Palmetto Telephone Communications, LLC (“Palmetto”) hereby respectfully moves for expedited review of its application for designation as an Eligible Telecommunications Carrier (“ETC”). In its Application, Palmetto requests ETC designation within the Walterboro and Yemassee exchanges (the “Designated Service Area”) for the purpose of receiving federal universal service support. Palmetto is seeking only low income support, and is not requesting high cost support.

Palmetto requests that this matter be decided by the Commission at the Commission’s earliest opportunity in a regularly-scheduled agenda session, and that the Commission cancel the formal hearing on this matter, which is currently scheduled for October 25, 2012. This motion is made on the following grounds:

1. Palmetto published notice of the filing of the request in newspapers of general circulation, as required by the Commission. The deadline to intervene in this matter was July 16, 2012.
2. The South Carolina Office of Regulatory Staff (“ORS”) is a statutory party to this action. See S.C. Code Ann. § 58-4-10(B). Palmetto’s counsel has consulted with

counsel for ORS, and ORS does not object to proceeding without a formal hearing in this matter.

3. No other comments or petitions to intervene were received in response to the notice. Thus, all interested persons have been afforded an opportunity for a hearing, as required by S.C. Code Ann. § 58-9-280(B), Section 1-23-320(a) of the South Carolina Administrative Procedures Act, and constitutional due process. Proceeding without a formal hearing in this matter would serve the public interest in administrative efficiency.

4. Palmetto was previously granted certificates by the Commission in Docket Nos. 1999-309-C (Order No. 1999-617 granting certificate to provide resold interexchange telecommunications services within the State of South Carolina), 2003-270-C (Order No. 2004-1 granting certificate to provide competitive local exchange and exchange access service to customers located in the Walterboro exchange, and approving flexible regulation of Palmetto's local exchange service offerings), and 2011-303-C (Order No. 2012-75 expanding Palmetto's certificate to include authority to provide service to the Yemassee, Ehrhardt, Olar, Fairfax, Hampton and Estill exchanges). Palmetto is a wholly-owned subsidiary of Palmetto Rural Telephone Cooperative, Inc., which has operated as a telephone cooperative providing telecommunications service in South Carolina since 1955. The Commission is familiar with the operations and standing of both Palmetto and its parent cooperative.

5. Concurrently with this Motion, and prior to the date specified by the Clerk's Office in its Prefile Testimony Letter dated June 16, 2012, Palmetto is filing the testimony of Jason J. Dandridge in this docket, along with a sworn verification executed by Mr. Dandridge attesting to the veracity of his pre-filed testimony. Mr. Dandridge's verified testimony, and the Attachments filed with the Application, demonstrate that the relief

requested in the Application is warranted and that approval of the Application is in the public interest.

WHEREFORE, for the reasons stated above, Palmetto Telephone Communications, LLC respectfully requests that the Commission grant its request for expedited review of its application for designation as an ETC for purposes of receiving federal universal service support for the provision of Lifeline service to qualifying low-income subscribers, and that the Application be approved at the Commission's earliest convenience.

Respectfully Submitted,



M. John Bowen, Jr., Esquire
Margaret M. Fox, Esquire
McNAIR LAW FIRM, P.A.
Post Office Box 11390
Columbia, South Carolina 29211
Telephone: (803) 799-9800
Facsimile: (803) 753-3278
Email: jbowen@mcnair.net;
pfox@mcnair.net

Attorneys for Palmetto Telephone
Communications, LLC

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Columbia, South Carolina

BEFORE THE
PUBLIC SERVICE COMMISSION OF
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Application of Palmetto Telephone)
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as an Eligible Telecommunications Carrier) Docket No. 2012-236-C
_____)

TESTIMONY OF JASON J. DANDRIDGE

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Jason J. Dandridge. My business address is 2471 Jefferies Highway, Walterboro,
South Carolina.

Q. BY WHOM AND IN WHAT CAPACITY ARE YOU EMPLOYED?

A. I am Chief Executive Officer of Palmetto Rural Telephone Cooperative, Inc., and Palmetto
Telephone Communications, LLC.

**PLEASE BRIEFLY OUTLINE YOUR EDUCATION, TRAINING, AND
EXPERIENCE IN THE TELEPHONE INDUSTRY.**

A. I have 14 years of telecommunications experience with Palmetto Rural Telephone
Cooperative, Inc., the parent company of Palmetto Telephone Communications, LLC. I
started with the cooperative as Staff Engineer and was later promoted to Assistant General
Manager. In my current role as Chief Executive Officer, I am responsible for ensuring the
long term business and financial viability of the company; managing the activities of the

1 company directly and through other key personnel; interpreting and implementing policies;
2 evaluating new business opportunities and making recommendations to the Board of
3 Directors; ensuring all operations comply with applicable federal, state, and local regulations;
4 and ensuring the success of the company within the guidelines and authority established by
5 the Board of Directors. I graduated from Clemson University in 1994 with a Bachelor of
6 Science degree in Civil Engineering, and earned an MBA from The Citadel in 2001.

7 **Q. ON WHOSE BEHALF ARE YOU TESTIFYING HERE TODAY AND WHAT IS THE**
8 **PURPOSE OF YOUR TESTIMONY?**

9 **A.** I am testifying on behalf of Palmetto Telephone Communications, LLC (“Palmetto”). By its
10 Application, Palmetto requests that the Public Service Commission of South Carolina
11 (“Commission”) designate Palmetto as an ETC within the Walterboro and Yemassee
12 exchanges (the “Designated Service Area”) for the purpose of receiving federal universal
13 service support. Palmetto is seeking only low income support, and is not requesting high cost
14 support. The purpose of my testimony is to demonstrate that Palmetto meets all of the
15 statutory and regulatory prerequisites for designation as an ETC in the Designated Service
16 Area, and that designation of Palmetto as an ETC in the Designated Service Area will serve the
17 public interest.

18 **Q. PLEASE GIVE A BRIEF OVERVIEW OF PALMETTO TELEPHONE**
19 **COMMUNICATIONS.**

20 **A.** Palmetto was organized as a Limited Liability Corporation in the State of South Carolina in 1998.
21 In 1999, by Commission Order No. 1999-617 in Docket No. 1999-309-C, Palmetto received a

1 certificate to provide resold interexchange telecommunications services within the State of South
2 Carolina. In 2004, by Commission Order No. 2004-1 in Docket No. 2003-270-C, Palmetto
3 received a certificate from the Commission to provide competitive local exchange and exchange
4 access service to customers located in the Walterboro exchange, and approving flexible
5 regulation of Palmetto's local exchange service offerings. In 2011, the Commission granted
6 Palmetto's request to expand its certificate to include authority to provide service to the
7 Yemassee, Ehrhardt, Olar, and Fairfax exchanges served by Frontier, and the Hampton and Estill
8 exchanges served by United Telephone Company of the Carolinas, Inc., d/b/a CenturyLink
9 ("CenturyLink"). See Commission Order No. 2012-75 in Docket No. 2011-303-C. Palmetto is
10 a wholly owned subsidiary of Palmetto Rural Telephone Cooperative, Inc., which has been
11 providing local exchange telephone service in the State of South Carolina since 1955.

12 **Q. UNDER WHAT AUTHORITY IS PALMETTO TELEPHONE COMMUNICATIONS**
13 **SEEKING DESIGNATION AS AN ETC?**

14 **A.** Section 214(e)(2) of the Telecommunications Act of 1996 gives States the primary
15 responsibility for granting ETC status. This section of the Act also requires the Commission
16 to grant competitive ETC applications in areas served by non-rural ILECs if it is consistent
17 with the public interest, convenience, and necessity, and provides that the Commission "may,
18 in the case of an area served by a rural telephone company . . . designate more than one
19 common carrier as an ETC for a service area designated by the Commission." In order for the
20 Commission to designate an ETC in an area served by a rural telephone company, the
21 Commission shall find that the designation is in the public interest. Upon designation as an

ETC, the carrier shall be eligible to receive universal service support in accordance with Section 254 of the Act.

Q. WILL GRANTING PALMETTO TELEPHONE COMMUNICATIONS' REQUEST SERVE THE PUBLIC INTEREST?

A. Yes. PTC's request for designation as an ETC in the Walterboro and Yemassee exchanges is in the public interest. Palmetto seeks designation only for purposes of receiving federal universal service support for providing competitive Lifeline service to low-income customers in its service territory. Palmetto is currently operating as a competitive local exchange carrier ("CLEC") in these exchanges. Granting Palmetto's request for ETC designation will allow Palmetto to provide Lifeline discounts to those qualifying low-income customers in these exchanges who desire to receive their local exchange service from Palmetto.

Q. WHAT OTHER REQUIREMENTS DOES SECTION 214(e) IMPOSE ON ETCs?

A. Section 214(e)(1) of the Act requires that a carrier designated as an ETC must, throughout the Designated Service Area:

(A) offer the services that are supported by Federal universal service support mechanisms under section 254(c), either using its own facilities or a combination of its own facilities and resale of another carrier's services (including the services offered by another eligible telecommunications carrier); and

(B) advertise the availability of such services and the charges therefor using media of general distribution.

Q. DOES PALMETTO MEET THESE REQUIREMENTS?

A. Yes, it does. Palmetto is a common carrier as defined in Section 153(10) of the Act. Palmetto will provide the supported services in the Designated Service Area pursuant to

1 Commission Order Nos. 2004-1 and 2012-75 referenced above. Palmetto will offer the
2 services that are supported by Federal universal service support mechanisms under Section
3 254(c) of the Act, using either its own facilities or a combination of its own facilities and
4 resale of another carrier's services.

5 The services designated for support were recently revised and streamlined by the Federal
6 Communications Commission ("FCC") as follows:

7 Services designated for support. Voice Telephony services shall be
8 supported by federal universal service support mechanisms. Eligible
9 voice telephony services must provide voice grade access to the public
10 switched network or its functional equivalent; minutes of use for local
11 service provided at no additional charge to end users; access to the
12 emergency services provided by local government or other public
13 safety organizations, such as 911 and enhanced 911, to the extent the
14 local government in an eligible carrier's service area has implemented
15 911 or enhanced 911 systems; and toll limitation services to qualifying
16 low-income consumers as provided in subpart E of this part.¹

17 Palmetto meets this requirement by providing voice telephony services as described above,
18 including voice grade access to the public switched network; unlimited local usage at no
19 additional charge to end users; access to 911; and toll limitation service for qualifying low-
20 income customers.

21 Upon designation as an ETC, Palmetto will participate in, and offer, Lifeline service to
22 qualifying low-income consumers and will publicize the availability of Lifeline service in a
23 manner reasonably designed to reach those likely to qualify for those services, as required by

¹ 47 C.F.R. § 54.101(a), included in Appendix A (Final Rules) to Report and Order and Further Notice of Proposed Rulemaking, *Connect America Fund*, WC Docket No. 10-90, FCC 11-161 (Nov. 18, 2011) ("*USF-ICC Reform Order*"), 76 Fed. Reg. 73830 (Nov. 29, 2011).

1 FCC Rules.² Palmetto will advertise the availability of and charges for Lifeline service in the
2 Designated Service Area using media of general distribution, as required by FCC Rules.

3 **Q. DOES PALMETTO MEET THE ADDITIONAL REQUIREMENTS ADOPTED BY**
4 **THE COMMISSION FOR DESIGNATION AS AN ETC?**

5 **A.** Yes. The Commission has adopted additional requirements for an ETC applicant to
6 demonstrate its capability and commitment to offer the supported services.³ These regulations
7 are similar to ones adopted by the FCC for ETC applicants.⁴ Palmetto satisfies all of these
8 requirements, as detailed below.

9 Commitment to Provide Service to All Customers Making Reasonable Request for Service.

10 The Commission's regulations require an ETC applicant to commit to providing service
11 throughout the applicant's proposed designated service area to all customers making a
12 reasonable request for service by certifying that it will "provide service on a timely basis to
13 requesting customers within the applicant's service area where the applicant's network already
14 passes the potential customer's premises in areas."⁵ If the potential customer is within the
15 applicant's licensed service area but outside its existing network coverage, the applicant must
16 certify that service will be provided within a reasonable period of time if service can be
17 provided at reasonable cost by:

18 (a) modifying or replacing the requesting customer's equipment; (b) deploying
19 a roof-mounted antenna or other equipment; (c) adjusting the nearest cell
20 tower; (d) adjusting network or customer facilities; (e) reselling services from

2 *See* 47 C.F.R. §§ 54.401-54.410; 54.405(b).

3 *See* Commission Regulation 103-690(C)(a).

4 *See* 47 C.F.R. § 54.202(a).

5 R. 103-690(C)(a)(1)(A)(1).

1 another carrier's facilities to provide service; or (f) employing, leasing or
2 constructing an additional cell site, cell extender, repeater, or other similar
3 equipment.⁶

4 Palmetto commits to offer its services to customers making reasonable requests for such in
5 accordance with the process set forth in Commission regulations.

6 Two-Year Advertising and Outreach Plan. For carriers like Palmetto who are not seeking
7 High Cost Support from the USF, but are seeking ETC designation for the purpose of
8 participation in the Lifeline program, the Commission does not require a two-year network
9 improvement plan to be filed.⁷ Instead, the Commission requires the Applicant to submit a
10 two-year plan that describes the carrier's plans for advertising and outreach programs for
11 identifying, qualifying, and enrolling eligible participants in the Lifeline program.⁸ Palmetto's
12 "Advertising and Outreach Plan for Lifeline Service" is attached to Palmetto's Application as
13 **Exhibit 2.**

14 Functionality in Emergencies. The Commission's regulations require that an ETC applicant
15 demonstrate its ability to remain functional in emergency situations, including a
16 demonstration that it has a "reasonable amount of back-up power to ensure functionality
17 without an external power source, its ability to reroute traffic around damaged facilities, and
18 its capability of managing traffic spikes resulting from emergency situations."⁹ Palmetto

⁶ R. 103-690(C)(a)(1)(A)(2). This process is identical to the process set forth by the FCC in its rules. *See* 47 C.F.R. § 202(a)(1)(i)(B).

⁷ R. 103-690(C)(a)(1)(C).

⁸ *Id.* The Commission's rule also references the Link Up program. The FCC eliminated support for Link Up services on non-Tribal lands for all ETCs, effective April 2, 2012. *See* Report and Order and Further Notice of Proposed Rulemaking, *In the Matter of Lifeline and Link Up Reform and Modernization*, FCC 12-11, WC Docket No. 11-42, (rel. February 6, 2012) ("*Lifeline Reform Order*").

⁹ R. 103-690(C)(a)(2).

1 meets this requirement.

2 Satisfaction of Consumer Protection and Service Quality Standards. The Commission
3 requires that an ETC applicant demonstrate that it will satisfy applicable consumer protection
4 and quality standards.¹⁰ As a telephone utility regulated by the Commission, Palmetto is
5 subject to and complies with all Commission regulations governing consumer protection and
6 service quality standards.¹¹

7 Offers Local Usage Plans Comparable to ILECs. The Commission requires that an ETC
8 applicant demonstrate that it offers a local usage plan comparable to the one offered by the
9 ILEC in the service areas for which it seeks designation.¹² As demonstrated in its local tariff
10 on file with the Commission, Palmetto meets this requirement.

11 Certifications by Affidavit. Under the Commission's requirements, ETC applicants must
12 certify by affidavit signed by an officer of the company that:

13 (a) the carrier acknowledges that the Federal Communications Commission may
14 require it to provide equal access to long distance carriers in the event that no
15 other eligible telecommunications carrier is providing equal access within the
16 service area;¹³

17 (b) that the company offers or will offer the supported services by using its own
18 facilities or a combination of its own facilities and resale of another carrier's

10 R. 103-690(C)(a)(3).

11 *See generally* R. 103-600 *et seq.*

12 R. 103-690(C)(a)(4).

13 R. 103-690(C)(a)(5).

1 services;¹⁴ and

2 (c) that the company does or will advertise in a media of general distribution the
3 availability of such services, including lifeline services and the applicable
4 charges.¹⁵

5 My certification that Palmetto meets or will meet each of these requirements is attached to
6 Palmetto's Application as **Exhibit 3** and is incorporated by reference herein.

7 **Q. WHAT OTHER INFORMATION CAN YOU SHARE TO DEMONSTRATE THAT**
8 **GRANTING PALMETTO'S REQUEST FOR DESIGNATION AS AN ETC IS IN THE**
9 **PUBLIC INTEREST?**

10 **A.** Designation of Palmetto as an ETC for purposes of providing Lifeline service to low-income
11 customers in its Designated Service Area is in the public interest. Palmetto has requested
12 designation and has limited its request for federal universal service support to the federal USF
13 low-income support (Lifeline) program. Palmetto certifies that all low-income USF support it
14 receives will be used to provide a credit to its Lifeline eligible customers, consistent with 47
15 C.F.R. § 54.403. Palmetto agrees to include in its quarterly Service Quality Report the
16 number and justification of applications held for more than 30 days and the number and
17 justification of applications that were denied. Palmetto will seek direct low-income support
18 from the federal USF only for those lines provided through the use of its own facilities or
19 through a combination of its own facilities and the leased facilities of another carrier.
20 Palmetto also agrees to report quarterly the percentage of consumers offered Lifeline through

¹⁴ R. 103-690(C)(a)(6).

1 resale of another carrier's service. Palmetto will utilize the same qualifying criteria for
2 Lifeline as are used by the incumbent carriers serving those areas.¹⁶ Palmetto will abide by
3 all advertising, reporting, and verification requirements established by the FCC and the
4 Commission.

5 Additionally, Palmetto agrees to provide Lifeline customers an additional \$3.50 credit in order
6 that the total discount available to low-income customers can be maximized.¹⁷ This will yield
7 a current Lifeline credit of \$12.75 per month, consistent with recently revised FCC rules for
8 Lifeline credits¹⁸ and Commission Order No. 2012-234.¹⁹

9 **Q. WHAT WOULD YOU HAVE THE COMMISSION DO IN REGARD TO THIS**
10 **APPLICATION?**

11 **A.** Palmetto Telephone Communications, LLC, respectfully requests that the Commission find
12 that Palmetto meets all of the statutory and regulatory prerequisites for designation as an ETC

15 R. 103-690(C)(a)(7).

16 See Report and Order and Further Notice of Proposed Rulemaking, *In the Matter of Lifeline and Link Up Reform and Modernization*, FCC 12-11, WC Docket No. 11-42, (rel. February 6, 2012) ("*Lifeline Reform Order*").

17 While Palmetto does not intend to seek funding from the State USF at this time, Palmetto reserves the right to seek funding from the State USF for the state-matching portion of the Lifeline discount should it be appropriate to do so. Palmetto commits to providing Lifeline customers an additional \$3.50 credit unless and until the requirements generally applicable to all competitive ETCs in South Carolina should change.

18 See *id.* Effective May 1, 2012 (with a delayed effective date of August 1, 2012 for those carriers needing additional time to implement the changes; see DA 12-689), the FCC revised the Lifeline credit amounts for Tiers One, Two and Three, which formerly provided for a federal discount of \$10.00 and a total discount in South Carolina of \$13.50. The new rules provide for a flat federal discount of \$9.25 on an interim basis which, with the \$3.50 state credit, yields a total credit of \$12.75. The new FCC credit amount is an interim amount, subject to change once the FCC receives comments in response to its Further Notice of Proposed Rulemaking included in the *Lifeline Reform Order*.

19 Commission Order No. 2012-234 in Docket No. 2012-115-C directs that the \$3.50 per month per Lifeline subscriber in State USF funding will remain in place on an interim basis in order to mitigate the impact of reduced federal Lifeline support on low-income customers. Palmetto does not intend to seek funding from the State USF at this time. Palmetto commits to providing Lifeline customers an additional \$3.50 credit unless and until the requirements generally applicable to all competitive ETCs in South Carolina should change.

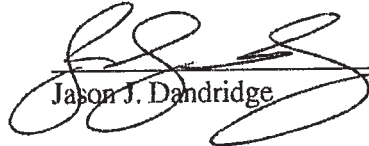
1 in the Designated Service Area; and that designation of Palmetto as an ETC will serve the
2 public interest. Palmetto asks that the Commission, therefore, grant its Application for
3 designation as an ETC within the Walterboro and Yemassee exchanges for the purpose of
4 receiving federal universal service support for the provision of Lifeline service to qualifying
5 low-income customers.

6 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

7 **A.** Yes, it does.

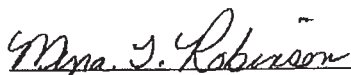
VERIFICATION

I, Jason J. Dandridge, first being duly sworn, depose and say that I am Chief Executive Officer of Palmetto Telephone Communications, LLC; that I have read the foregoing pre-filed testimony and know the contents thereof; and that said contents are true.


Jason J. Dandridge

SWORN to before me this

30 day of August, 2012.

, L.S.
Notary Public for South Carolina
My Commission expires: 7/25/17

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OF
SOUTH CAROLINA

Docket No. 2012-236-C

Application of Palmetto Telephone)
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_____)

**CERTIFICATE
OF SERVICE**

I, Rebecca W. Martin, do hereby certify that I have this date served one (1) copy of the attached Motion for Expedited Review and verified Testimony of Jason J. Dandridge in the above-referenced docket upon the following party causing said copy to be deposited with the United States Postal Service, first class postage prepaid and properly affixed thereto, and addressed as follows:

Nanette S. Edwards, Esquire
Office of Regulatory Staff
1401 Main Street, Suite 900
Columbia, South Carolina 29201



Legal Assistant
McNair Law Firm, P.A.
Post Office Box 11390
Columbia, South Carolina 29211
(803) 799-9800

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